MARCH 15, 1965

WHY THE U.S. REJECTS THE EEC NEGOTIATING PLAN

NO MARKETING QUOTAS FOR RHODESIAN TOBACCO

OUR FARM IMPORT TRADE

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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Including FOREIGN CROPS AND MARKETS

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Washington's first big international food store features foods imported from all over the world. The United States is the world's second largest importer of food. (See article on page 6.)

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Why the U.S. Rejects the EEC's Negotiating Plan for Farm Commodities

Addressing the Conference of Trade Organizations in Washington on February 25, Secretary of Agriculture Orville L. Freeman *told the group that in his opinion "the Community negotiating plan amounts to little more than extending the EEC variable levy system to the rest of the world." Excerpts from his talk follow.*

It is no secret that we have not been making the progress I hoped for in the Kennedy Round at the GATT Negotiations in Geneva.[1] The United States has been ready for some months to begin the process of agricultural bargaining. It was ready last November 16th, when the negotiations on industrial products got underway—but the European Economic Community was not ready then. At that time, the EEC had not yet arrived at a common grain price —a decision it considered essential before real negotiations could be started in agriculture in the Kennedy Round. The grain price decision was reached by the EEC in December of 1964.

Early in 1965, proposals were made in Geneva to get agriculture going in the Kennedy Round. It was proposed these negotiations begin on all products April 1. It was thought that, with the common grain price behind them, the Community would now be ready to negotiate—but the Community has not been willing to accept the April 1 date for all products.

Now the Community is insisting that it needs to determine its common price decisions and market regulations for additional products before it can begin meaningful negotiations. The most important of these are beef, rice, dairy products, and fats and oils. These matters, the EEC believes, may not be settled before midsummer or early fall —so it is suggesting a further delay until September for most of the items to be included in the negotiation.

Coming back to grain, the internal prices which the EEC agreed upon last December are high. We believe they are high enough to bring additional acreage in France into production and to stimulate yield increases, thus moving EEC grain production further toward self-sufficiency. This would decrease the need for imports. We see more than ever, therefore, the need for negotiating firm, meaningful access commitments for grain.

What the EEC wants

All we are asking the EEC to provide is the opportunity to sell in their market. Thus far, however, the EEC has insisted that it can negotiate only on the basis of its proposals. This is the margin of support, or *montant de soutien* plan, about which you have heard so much. It is difficult to describe. As I understand it, the plan's essential feature would be the freezing of a maximum margin of support for each agricultural product in each country. The margin of support would be the difference between the return to the domestic producer per unit of product and a reference, or world price, for a product of the same kind and quality. Where there are not established world prices, reference prices would have to be negotiated.

Each country would be permitted to levy an import duty equal to its margin of support, and if the world price dropped below the reference price, would be permitted to increase this levy in the amount by which the world price had dropped. Thus, each country would be allowed to levy an import duty equal to the difference between its domestic support price and the price of imports.

You will recognize immediately that I have described the EEC variable levy import system. It seems to me that this EEC negotiating plan amounts to little more than extending the EEC variable levy system to the rest of the world.

Plan opposed by the U.S.

The United States and most other countries have rejected this EEC plan. Why? Not on philosophical grounds—not because we have any objection to including domestic support policies in the negotiations—not because we are arbitrary. We reject it simply because we cannot see how it meets the test of the trade negotiations. We cannot see how it would expand trade. Let me give you some examples:

I have mentioned our concern about the high EEC grain prices. If we are right, and these prices do expand EEC production and decrease imports, a freezing of these prices will not expand exports to the EEC. It will, in fact, contract them.

And let me point out in this connection that the EEC plan makes no provision for, and gives no credit for, controls upon production. Under the EEC plan, countries would not have to apply production controls, and the United States, which does apply them to grain, could abandon its control. Our grain producers obtain price support only if they limit production. If we were to agree to freeze our support prices, as the EEC asks, and were to abandon our controls as the EEC would permit us to do, the result is not difficult to forecast. Thus, the EEC negotiating plan would not limit production in our market either—it would expand phenomenally. And certainly no one would ask us to continue to control our production, simply because we had been doing so, while allowing importers to continue to avoid production controls, simply because they had been doing so.

Sugar trade would be hurt

Let us consider sugar. The United States now imports about 40 percent of its requirements of sugar. The value of this trade to our suppliers is over $500 million yearly— and our suppliers are mainly the less-developed countries of the world. One of the benefits of the EEC plan purportedly is the stabilization of markets for the products of less developed countries. But this important U.S. market is held open to sugar exporters through the application of controls upon our domestic production as well as upon im-

(Continued on page 16)

[1] General Agreement on Tariffs and Trade.

Field day meeting of Rhodesian tobacco growers.

No Marketing Quotas for Rhodesian Tobacco This Year

By JOSEPH R. WILLIAMS
U.S. Agricultural Officer
Salisbury

The Rhodesian Minister of Agriculture announced on February 18 after release of the first official 1965 crop forecast for flue-cured tobacco—240-260 million pounds—that he would not invoke marketing quotas for this selling season. His action has climaxed many months of uncertainty in the minds of both buyers and growers as to whether marketing quotas would be in effect during the current Salisbury auctions (scheduled to open March 9).

Ever since December 10, 1964, the Minister has had the power through enabling legislation (under the Tobacco Marketing Act and Levy Act of 1964) to impose fixed marketing quotas on flue-cured as soon as he receives the first official crop estimate and the Rhodesia Tobacco Association Council's recommended trade demand requirement. The Minister is not invoking the marketing quotas because the trade demand figure of 265 million pounds is higher than this first official crop estimate. Thus, all producers will be permitted to sell their entire production.

However, in previous years, the first official estimate has generally been on the low side; and this year, favorable moisture conditions plus use of additional fertilizers and more intensive cultural practices have helped improve yields. So it is very likely that the final outturn will be closer to 275 million pounds—all of which can be legally marketed.

Growers had agreed to cut production

The more than 3,000 Rhodesian and Zambian growers of flue-cured tobacco who sell their crops at the Salisbury auctions had accepted voluntary production controls this season, for the first time. Jolted by the low prices their record 1964 crop had brought, they agreed to a proposal by the Rhodesia Tobacco Association that would slash their 1965 output by about one-fourth.

In December the necessity for production control was vividly summed up by E. J. Jeffreys, president of the RTA Council, when he told the association's annual congress, "The sale of the 1964 crop broke three records. The weight sold was the largest yet, the national yield per acre was the highest, and the amount realized the greatest. But to complete the picture the average price was the lowest in nearly 20 years."

Background of the voluntary controls

Tobacco has traditionally been not only the mainstay of Rhodesia's commercial agriculture but its No. 1 earner of foreign exchange, with 95 percent of the crop going into export trade. The phenomenal growth of this industry after 1936 made Southern Rhodesia the world's second largest flue-cured tobacco exporter and the leading U.S. competitor for foreign markets.

This expansion took place while the United States was maintaining a rigid acreage control program coupled with price supports, whereby American production was to a large extent insulated from world prices. What the Rhodesians were accomplishing meanwhile, operating on a strictly private-enterprise system and selling on a free market, is illustrated by the following figures. In 1945, Rhodesia's flue-cured crop of 46.7 million pounds brought the equivalent of some $15.5 million (£3,856,431) at the Salisbury auctions; by 1963, sales had reached 194.8 million pounds for a total of $94.6 million (£33,779,605), with a record average price equivalent to 48.6 cents a pound.[1]

But a shock was in store for Rhodesian tobacco farmers in buyers' reaction to the 1964 crop—the first that ever exceeded 300 million pounds. This crop was the result both

of record yields and of a substantial acreage expansion that had been stimulated by the record 1963 price. Sales rose to a peak of 323.8 million pounds. However, the average price per pound slumped to 30.3 cents, and the total return of $98 million (£35,002,317) was only slightly above the preceding season's.

Thus, from 129 million pounds of additional production, farmers got additional gross returns of only $3.4 million (£1.2 million), and their net returns were the smallest in the history of the industry. As President Jeffreys told the RTA congress, the projected cost per acre for the 1964 crop was $330.40; the gross income per acre, $347.20. Profits thus averaged only $16.80. Actual profits were made only by farmers who had high yields of quality tobacco; production loans made by banks to tobacco farmers are reported the highest ever.

Basic quotas established

Hoping to avoid a further drastic price drop this year, the RTA Council drafted a plan for voluntary controls on production through individual poundage quotas for one season only. Meetings of flue-cured growers, organized through the South-Western Area to discuss this plan, endorsed it heavily. In light of this response, the council adopted the plan and the Rhodesian Minister of Agriculture pledged his full support for its implementation.

The total 1965 production quota, after adjustments for Rhodesia and Zambia (South-Western Area), was set at 252.3 million pounds. Individual allotments, adjustments, and appeals were uniform irrespective of national boundaries. The minimum basic quota per farm was 45,000 pounds. For quota purposes, the RTA divided the producers into the following four groups:

- Growers with crops above 60,811 pounds, who were to have quotas 26 percent below their best performance in any one of the past 3 years;
- Growers with crops of 45,000 to 60,811 pounds, who were to have the minimum quota of 45,000;
- Growers with crops below 45,000 pounds, who would be permitted to sell production equal to their highest sales in any one of the past 3 years;
- New growers, for whom a total allocation of 11.9 million pounds was included in the 252.3-million-pound quota.

Although the 1965 quota was 71.5 million pounds less than 1964 sales, a figure that represented a 22-percent overall reduction, it should be pointed out that even this 252.3 million pounds would have been the second largest crop in the history of the Rhodesia and Zambia (South-Western Area) tobacco industry.

Since the sole purpose of this voluntary scheme was to avoid overproduction and price slumps, it was expected that if growers cooperated by producing only the amounts of tobacco allocated to them under their individual poundage quotas, no legislative controls would be needed to implement the marketing quota system. Growers were warned, however, that if they produced in excess of their quotas and tried to sell their entire production, heavy fines could be imposed and excess output destroyed.

Using acreage figures submitted by the growers to the council and a yield figure of 1,023 pounds per acre (based on yield trends over the past 10 years), the South-Western Tobacco Marketing Board calculated Rhodesia's potential 1965 crop at a minimum of 234.6 million pounds and a maximum of 252.3 million. This calculation was the framework for the total production quota as well as for the individual grower quotas.

However, in the event that the first official crop estimate prior to the opening of the market indicated a total production of less than the 252.3-million-pound quota, then the marketing act permitted the Minister of Agriculture to declare that marketing quotas would not apply. In the absence of subsequent regulations, every producer—including the small percent of noncompliers—would be permitted to sell his entire crop. In the crop estimate (just release—240-260 million pounds—the midpoint of 250 million is below this 252.3-million pound figure.

The quota resulted from numerous recalculations of the amount necessary to satisfy the probable foreign demand requirement at prices reasonable for buyers and profitable to growers. The earliest target announced called for a crop of 230 million pounds. This was revised upward step by step to 252.3 million.

Some objections raised

As had been expected, the quota plan, although acceptable in principle, met with stiff opposition on a number of details. The full extent of this opposition was voiced at the annual congress of the RTA.

The generous quotas allocated to the largest producers for this season were a main grievance of the middle group of growers, who contended that an average of production during the past 3 years would be a far more equitable basis for a quota than the highest output of the period.

Objection was also raised on the procedure used in reaching the decision. It was pointed out that during intervals over the past 5 years, growers with more foresight than the majority had asked for a control scheme but had invariably been shouted down. This year, however, the issue had at last been taken seriously. Yet after only 4 months' work the RTA Council's scheme was put to the growers as "the only one possible." It was felt that this was not accepted practice.

Some individual objections were met under the plan itself, which had included an appeal procedure for the adjustment of quotas to cover gross inequities. An additional 6.3 million pounds had been awarded to 344 producers in Rhodesia and Zambia. Further, the congress had unanimously adopted a resolution requiring the council to give a binding assurance that under no circumstances would a grower's production in the 1964-65 season be taken into account in any further allocation of quotas or in any plan for acreage control.

Introduction of the production control scheme "for one year only," after much give and take on both sides, had resolved one of the most controversial issues ever faced by the Rhodesian tobacco growers. Even though it was not put into effect because the trade demand figure exceeded the first crop estimate, the growers had felt in December that their decision to endorse it would avert an economic crisis in their industry.

[1] In 1945, the Salisbury sales included only tobacco from Southern Rhodesia. In 1963, they included also tobacco from the North-Western Area of Northern Rhodesia. In 1964, after the Federation of the Rhodesias and Nyasaland dissolved, Southern Rhodesia became Rhodesia and Northern Rhodesia became Zambia. Zambia's growers continued, however, to sell on the Salisbury market, and the Rhodesian and Zambian tobacco areas are still commonly referred to together, as the South-Western Area.

Our Farm Import Trade: What We Buy and How Much

This is the second of two articles on the United States trade in agricultural products, taken from the new USDA publication Fact Book of U.S. Agriculture, *which may be obtained from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402—price 75 cents.*

The United States is the world's second largest agricultural importer. (The United Kingdom is first.) In fiscal year 1964 its imports of agricultural products totaled $4.1 billion compared with $3.9 billion in the previous year.

This increase in value resulted mainly from larger imports of complementary (noncompetitive) products, since imports of supplementary (partially competitive) were about equal to those of 1963. Imports of complementary products rose to $1.9 billion from $1.7 billion, while supplementary imports remained at around $2.2 billion.

On a per capita basis, however, there has been little change since the 1920's. In 1925-29, the United States imported agricultural products at the rate of $19.00 per person; last year this figure was $21.50. Upward price movements account for three-fourths of this rise.

Shifts in import pattern

Of the 1963-64 agricultural imports that the United States took, supplementary commodities accounted for 54 percent, whereas during the 1950's the average share was 44 percent. Primarily responsible for the rise in the last 3 years were larger purchases of cattle, meat, vegetables, copra, and tobacco as well as a sharp rise in sugar prices. Imports of meat and meat products, the major factor in the increase, accounted for nearly one-fourth of the supplementary total last year compared with only 10 percent during the 1950's.

Complementary commodities accounted for 46 percent of agricultural imports in fiscal 1964; they were 43 percent the previous year. During the 1950's an average of 56 percent of agricultural items purchased were complementary, whereas in the past 3 years such complementary items accounted for less than half. They consisted mainly of coffee, crude natural rubber, cocoa beans, carpet wool, bananas, tea, spices, and cordage fibers. (Small volumes of coffee and bananas are produced in Hawaii.)

The United States imports agricultural commodities from more than 150 countries; however, in fiscal 1964, 54 percent came from 10 of these countries. Brazil continued to be the major supplier, with $514 million, but a number of other large suppliers were the newly developing countries with predominantly agricultural economies.

Restrictions sometimes enforced

Imports of agricultural commodities may be regulated under specific conditions. For example, when imports interfere with price support or stabilization programs, Section 22 of the Agricultural Adjustment Act provides that such imports may be restricted by a quota or a fee in addition to the import duty. Commodities currently controlled under Section 22 are wheat, wheat products, cotton, certain cotton wastes, peanuts, and certain manufactured dairy products. Sugar imports are regulated by quotas under the Sugar Act of 1948.

Some supplying countries have voluntarily controlled shipments to the United States. Voluntary meat agreements were signed between the United States and Australia, New Zealand, Ireland, and Mexico last year to limit exports of beef, veal, and mutton to the U.S. market through 1966. The agreements were designed to prevent further expansion of imports at rapid rates, but at the same time to permit the supplying countries to share equitably with U.S. producers in the growth of the U.S. market.

Duties are relatively low for U.S. agricultural imports. About half of them, including nearly all the complementary commodities, were duty-free in fiscal 1964, and for the rest, which were dutiable, *ad valorem* equivalent of all duties averaged 10 percent.

SUPPLEMENTARY PRODUCTS IMPORTED BY THE UNITED STATES IN FISCAL 1964

CANE SUGAR

3.6 million short tons valued at $539 million, mainly from the Philippines, Peru, Mexico, Dominican Republic, Australia, and Brazil. Sugar accounted for 13 percent of agricultural imports. Sugar imports accounted for 39 percent of U.S. consumption in 1963-64 and about one-fifth of world sugar imports.

MEATS

Beef, 1.1 billion pounds, valued at $343 million, from Australia, New Zealand, Ireland, and Argentina. Pork, 206 million pounds valued at $126 million—mainly from Europe, especially Denmark, the Netherlands, and Poland. Meat imports accounted for 8 percent of U.S. red meat production and 13 percent of U.S. agricultural imports.

DUTIABLE CATTLE

606,000 head of cattle valued at $47 million, down sharply from the previous year. Most dutiable cattle are from Mexico and Canada, with Mexico supplying about three-fourths. Cattle imports were 2 percent of U.S. slaughter and 1 percent of U.S. farm product imports. Imported dutiable cattle were mainly stockers and feeders imported by U.S. farmers and ranchers for fattening.

GRAINS

$46 million worth, up from the previous year, principally barley and wheat from Canada. Most barley imports are used for malting in the United States. Wheat and wheat product imports are regulated by quotas. Imports of grains were 1 percent of both grain sales and U.S. farm imports.

VEGETABLE OILS Oil equivalent of 1.1 billion pounds valued at $154 million, practically all from the Philippines, Brazil, Argentina, the Congo, and Italy. Imports included copra, sesame seed, cacao butter, and coconut, castor, tung, olive, and palm kernel oils. These oils have special characteristics needed by U.S. industry. Imports of vegetable oils and materials account for around 8 percent of U.S. vegetable oil consumption and 4 percent of U.S. agricultural imports.

FRUITS A record $121 million worth, mostly specialized commodities or supplements to off-season production. Main sources were Mexico, Canada, Philippines, Spain, Japan, and Taiwan. Imports included olives, tomatoes, pineapple, and oranges. Total imports equaled 8 percent of U.S. cash receipts from fruit marketings and 3 percent of agricultural imports.

WOOL FOR CLOTHING 131 million pounds, valued at $101 million, down sharply from the previous year, mainly from Australia, Union of South Africa, Argentina, and New Zealand. The National Wool Act of 1954 supported prices to encourage domestic production. Domestic output has risen slightly, but lower wool use and greater use of synthetics have done more to cut imports. Imports account for 43 percent of U.S. consumption of apparel wool and 2 percent of agricultural imports.

VEGETABLES $98 million worth, about one-fourth above the average of the past 5 years. Half were vegetables imported in winter and spring months, principally from Mexico. Imports equaled 5 percent of vegetable marketings and 2 percent of U.S. agricultural imports.

TOBACCO 166 million pounds valued at $103 million, principally from Greece and Turkey, consisting mainly of oriental types for blending, cigar filler, and scrap. Imports account for one-tenth of U.S. tobacco use and 3 percent of U.S. agricultural imports.

DAIRY PRODUCTS $57 million worth, principally cheese from Switzerland, Denmark, the Netherlands, New Zealand, and Italy. Dairy products made up 1 percent of all U.S. agricultural imports. Cheese imports constituted 5 percent of U.S. consumption.

COTTON 136,000 bales valued at $24 million. Imports are regulated by quotas. Cotton imports, mainly from the United Arab Republic and Mexico, were less than 1 percent each of U.S. consumption and farm imports.

COMPLEMENTARY PRODUCTS IMPORTED BY THE UNITED STATES IN FISCAL 1964

COFFEE 3.3 billion pounds valued at $1.1 billion, three-fourths from Latin America, mainly Brazil and Colombia. Africa has been gaining as an important supplier of coffee to the United States, mainly Ghana, Angola, and Ethiopia. Coffee accounted for 27 percent of agricultural imports. The United States buys over half the world coffee exports. The United States is a member of the International Coffee Agreement, which includes both consuming and producing countries as members. Principal objectives of the agreement are to stabilize coffee prices and to provide a more orderly marketing system.

RUBBER 853 million pounds valued at $185 million, sharply below the 1950-59 average, practically all coming from Asia and Liberia. Crude natural rubber accounted for 5 percent of agricultural imports. Crude natural rubber accounts for around one-fourth of rubber used in the United States compared with about two-fifths in the early 1950's. The United States buys one-sixth of the world's rubber exports.

COCOA BEANS 536 million pounds valued at $122 million. Principal suppliers were Ghana, Brazil, and Nigeria, which supplied 61 percent of U.S. imports. Cocoa beans equaled 3 percent of agricultural imports. The United States buys one-third of world cocoa bean exports.

CARPET WOOL 182 million pounds valued at $110 million, mainly from Argentina, New Zealand, Pakistan, Syria, and Iraq. Carpet wool makes up 3 percent of U.S. agricultural imports. Today wool accounts for only 47 percent of the surface fibers used in carpet manufacturing because of increased use of manmade fibers.

BANANAS 3.5 billion pounds valued at $93 million. Main suppliers are Ecuador, Honduras, Costa Rica, Panama, and Guatemala. Bananas accounted for 2 percent of U.S. agricultural imports. The United States buys two-fifths of world banana exports.

Secretary Freeman Reports on European Market For Cattle and Beef and on U.S. Export Potential

Summarized here are export portions of a statement on the cattle and beef situation by Secretary of Agriculture Orville L. Freeman before the Select Committee on Small Business of the United States Senate on February 24.

A decided shift has taken place in the currents of world trade in beef and cattle from their traditional patterns of the recent past. It presents the opportunity for American agriculture to develop a totally new market, and to strengthen the U.S. balance-of-payments position. There are several reasons for the appearance of this new market.

Most important, Western Europe is enjoying record prosperity. People are using a substantial part of their bigger purchasing power to improve their standard of living. They are occupying better houses and apartments, wearing better clothes, spending more for recreation. And—of course, they are eating better. One evidence of their upgraded diets is increased consumption of meat. For Western Europe as a whole, meat consumption rose from 89 pounds per capita in 1958 to 99 pounds in 1964. The gain for beef and veal over this period, 30 pounds to 45 pounds, would have been greater if the beef had been available.

Beef supply down

There were several reasons why the availability of beef in Western Europe was not able to keep pace with demand, and each of them gives further weight to the belief that a market for U.S. beef and veal may be opened in Western Europe.

First, the area suffered poor weather conditions in 1962-63, and farmers began a heavy movement of cattle to market. In addition, there is some evidence of a declining interest in dairy farming which means that dairy herds, the major source of European beef, may be declining.

At about the same time, Argentina, which has traditionally been a major beef exporter to Europe, suffered a serious drought. For a time, while cattle herds were being liquidated, beef shipments to Europe were very heavy. But the supply of Argentine cattle soon was curtailed and when that happened, a primary source of import beef to Europe began to shrink. Prices in Europe soon began to rise.

There is little prospect that Europe will be able henceforth fully to supply its own needs for veal and beef even with further price increases. The Argentine cattle industry is now rebuilding, and this is a process that will require some time to complete. Nor can other areas be expected soon to meet any deficits for carcass beef.

European beef different

But even these facts do not tell the full story of the potential for exporting U.S. beef and veal. To understand this, it is important to understand that, until now, European beef has been something sharply different from beef served on most American tables.

American beef stresses flavor and tenderness, qualities that are associated with the "marbling" characteristics—the small layers of fat between the meat fibers. Our top grade Prime beef has a high degree of marbling, and the marbling decreases as we move to Choice or to Good grades.

European beef is mainy lean beef. Though not generally from old animals, it contains very little marbling.

Thus, there are two different beef products, and two different markets to consider.

I believe the European market for lean beef will not grow nearly so rapidly as the market for the flavorful and tender "American" beef in the years ahead. As the European standard of living continues to rise, the demand for the American-style beef will grow. If we do a sensible promotion job, we can build a steady export market for fed beef in Western Europe that should grow in the years ahead.

Europeans who try fed beef soon acquire a taste for it. Our task is to provide more Europeans with the opportunity to taste American beef.

As of now, fed beef is a luxury product in Western Europe. But there are many Europeans who want and can afford a luxury meat product. I believe—in fact, I would predict—that a first class American-style restaurant specializing in tender, flavorful beef would be a successful and profitable venture in Western Europe. Before too long, it would find counterparts.

Trend to outdoor grill

In addition, I believe we should support and encourage the growing "cook-out" trend in Western Europe. Europeans are discovering, as the backyard cooks in this country discovered a decade or more ago, that cooking out is great family fun and good entertainment. And the Europeans will find, as we did, that only marbled beef makes good charcoal-grilled steaks. The outdoor grill could become the best overseas beef salesman we have.

We plan to move as rapidly as possible, in cooperation with the beef and cattle industry, to take advantage of the new export opportunities. The job will not be easy, but it will be worth the effort.

In May 1964, President Johnson sent a mission of industry and government people to Europe to survey the potential market for American meat and livestock. The mission brought back a rather encouraging report.

Joint industry-government promotion

Shortly thereafter, the Department of Agriculture and the American Meat Institute, acting on behalf of the entire industry, joined hands to promote meat and livestock exports. Together we have staged exhibits in London, Hamburg, Paris, and West Berlin. The exhibits, and the meat conferences held in conjunction with some of them, have given foreign buyers and government officials a chance to see and sample our meat—and to talk over with U.S. meat trade people and government officials such matters as prices, quality, and delivery schedules.

I attended West Berlin's Green Week show in January where I saw hundreds of German people eating American steaks with every evidence of enjoyment. I saw crowds of people

at the promotional butcher shop buying our beef for preparation at home. I understand that we sold 50,000 pounds of beef at that show—25 tons. That's a lot of meat.

We already have some encouraging signs from these initial efforts to develop a market for U.S. beef. Commercial shipments of U.S. beef to Western Europe in calendar year 1964 amounted to 4 million pounds. That's a very small volume, of course, in relation to our production. But even small volume strikes us as being significant, in view of the fact that we had sold practically no beef to the area since the end of World War I.

We intend to keep up these market promotion efforts. Our 1965 schedule calls for beef shows in London, Madrid, Cologne, and Brussels.

Fed-beef market potential

Thus far I have not discussed the means of reaching the European market for lean beef. This in no way is an effort to downgrade its importance, but rather to emphasize that for the United States the real long-term potential in an economy of rising appetities may well be for fed beef. Food demands in Europe grow increasingly like those in the United States. This is not as a result of "Americanization" but mainly the outgrowth of rising incomes.

This does not mean we should ignore the traditional beef markets in Western Europe, nor have we ignored them. Shortly after the President's study team returned last summer, a group of Italian buyers visited the United States as part of our development effort. They found our beef prices too high, but were attracted by our live cattle prices.

Live animal exports to Italy

They recognized that by importing live animals and feeding them to slaughter weight, they could sell the meat and all the byproducts—hides, tallow, variety meats, and others. Italy, to encourage live animal imports, removed its duty on cattle weighing less than 770 pounds.

The first shipload of U.S. feeder cattle left Norfolk last July 11. Now about 9,000 head have been moved—all of them to Italy. Large-scale air shipment of veal calves was inaugurated August 19. About 8,000 have been shipped to Italy to date.

The export outlook for live animals in the years immediately ahead is encouraging. Demand is likely to stay strong; and the job of rebuilding foreign cattle herds will proceed relatively slowly. We can look for a modest but steady trade in cattle and calves. For that matter further world price increases could open an immediate and substantial market for standard quality beef in Europe.

There are some problems, however. For feeder cattle, ship facilities are scarce, and more consideration of this trade opportunity by the shipping industry would be helpful. For baby calves, we need to assure that all calves are strong enough to make the trip. The cost and availability of air transport is a critical matter. And finally, trade walls must be low enough to encourage the continuation and expansion of our exports.

The reopening after decades of a market for U.S. beef and livestock in the new Europe has proceeded remarkably well. One of the major reasons is the unusual degree of cooperation between Federal and State governments and the beef and cattle industry in this country.

Importance of export markets

Export markets for tomorrow are going to be even more important to the farmer than they are today. Very few other countries have achieved the level of consumption that prevails here at home. As these countries seek to achieve this level then the world market for food will grow as the level of world prosperity increases.

And as consumers grow more prosperous, their tastes and desires in food turn increasingly to meat. This fact alone indicates that the export potential for cattle and beef will require constant and increasing attention in our export program.

France and U.S. Compete for Peruvian Cattle Market at Big Exposition

Resumption of Peru's traditional National Livestock Exposition late last year (the first since 1961) found the United States and France mounting extensive promotions of their breeding cattle.

At the U.S. booth, representatives of the U.S. Brown Swiss and Holstein Associations—which in 1964 sold Peru a combined 361 head, a 4-year high—distributed technical brochures and explained the advantages of their cattle as dramatized by actual models of U.S. Holstein and Brown Swiss breeds.

In addition, the two association officials with their French counterparts helped judge the 450 cattle on exhibit, most of which were Holsteins and Brown Swiss of U.S. bloodlines. The FAS silver trophy went to the exposition's Grand Champion Holstein.

After the show, the U.S. representatives visited a number of ranches to classify Peruvian breeding cattle and to advise ranchers on management problems.

France's large and impressive stand—manned by a delegation of livestock specialists including the official representative of the Charolais Herd Book of France—featured 25 locally owned Charolais imported in 1963 and 20 others brought over for the occasion and put on sale at a price too high to interest many buyers.

President of Peru Fernando Belaunde (c) sees Luis Dyer C. (r), Peruvian ranch manager, receive the FAS silver trophy for best Holstein at the exposition from Ernest Siracusa, U.S. Embassy.

GMA Official Appraises U.S. Fruit And Vegetable Exhibit at London

The 10-day U.S. Fruit and Vegetable Exhibit at the London Trade Center closed on March 5 with Grocery Manufacturers of America's Ed Cunningham calling it one of the most successful exhibits he has seen for bringing together potential British customers and distributors. (Mr. Cunningham is shown immediately above at right talking to U.K. importers about one of some 200 food items on display.)

"Many orders were written for new customers. That's the best test I know for measuring the success of a promotion such as this," said the representative of GMA which staged the event in cooperation with FAS.

The exhibit of 51 U.S. firms' fresh and processed fruit and vegetable products (above) drew some 2,000 tradesmen, including importers from Covent Garden market.

U.S. Exhibit at Milan Samples Fair in April Aimed at Both Trade and Consumer Interests

A double-barreled exhibit aimed at both Italian tradesmen and consumers will promote U.S. agricultural products at Milan's 1965 International Samples Fair to open April 14 for 11 days.

The exhibit for the trade, to be held at the U.S. Trade Center on the exhibit grounds, will emphasize U.S. feed grains, animal fats, and soybeans, and feeder cattle and calves. An animal nutrition seminar will be conducted in the Trade Center for 4 days April 20-23.

The consumer exhibit, in an area near the Trade Center, will feature U.S. poultry parts and turkey, and leather products. The poultry promotion, arranged in cooperation with the U.S. poultry industry's International Trade Development Board, is planned as a followup to Italian Government action last November in opening up its market to imports of poultry parts.

Roast turkey sandwiches and roast chicken parts will be sold to the public, with emphasis on chicken breasts in view of Italian preference for light meat. The exhibit will be prepared to sell 3,000 servings a day. Other features will include a continuous demonstration on preparation of U.S. chicken, distribution of poultry recipes, turkey weight-guessing contests, and turkey roasting on an infrared roaster. This same combination of techniques has been used with success elsewhere in Western Europe to build and maintain a market for U.S. poultry and poultry products.

Leather products to be displayed by the Tanners Council of America will include shoes, suede clothing, luggage, handbags and other accessories, and Western riding equipment.

The trade exhibit will be similar to that at the Verona International Fair in March, featuring U.S. feedstuffs and the availability of U.S. feeder cattle and calves for continued export to Italy. Cooperating trade organizations will be the U.S. Feed Grains Council, Soybean Council of America, National Renderers Association, and Dairy Society International.

The animal nutrition seminar is scheduled for April 20-24, with both U.S. and Italian participants.

The Milan Samples Fair, one of Europe's oldest trade fairs, annually draws some 4 million people from Italy and other European countries.

American ELS Cotton to India

The first purchase authorization for U.S. extra long staple cotton to India was issued last month under Title I of Public Law 480. It provides for $4.6 million worth of American-Egyptian, or about 20,000 bales.

In the past, P.L. 480 programs for this type of cotton have been handicapped by prices higher than those of competing ELS, with Pakistan the only recipient country.

Under recent legislation, however, American-Egyptian is now being offered at competitive world prices, and interest in foreign ELS markets—both cash and P.L. 480—is increasing.

Record Exports of U.S. Hides and Skins in 1964

U.S. exports of bovine hides and skins were at record levels in 1964. Cattle hide exports were 11.5 million pieces, up 44 percent from the previous year. All major buyers, particularly the EEC and Japan, took increased amounts, while only two countries, the USSR and Yugoslavia, took less. The combined total of U.S. and Argentine hide exports for the last 2 years has remained nearly constant at about 18 million pieces. The 3.5-million increase in U.S. exports in 1964 approximated the drop in shipments from Argentina in a year of reduced slaughter.

U.S. calf skin exports were just over 2 million pieces in 1964. Japan continued to be the leading buyer, and all other countries, except Italy, took increased amounts.

Sheep and lamb skin exports were just over 3 million pieces—slightly above 1963's, but nearly double the 1956-60 average. Kip skin exports rose slightly.

U.S. EXPORTS OF HIDES AND SKINS

Commodity and country	Average 1959-60	1962	1963	1964	Change from 1963
	1,000 pieces	*1,000 pieces*	*1,000 pieces*	*1,000 pieces*	*1,000 pieces*
Cattle hides:					
Canada	641	656	534	771	+237
Mexico	505	461	501	1,084	+583
Germany, West	625	571	542	1,272	+730
Netherlands	874	963	985	1,543	+558
Poland	95	15	23	89	+ 66
Spain	12	51	111	263	+152
United Kingdom	181	38	40	316	+276
Italy	118	63	106	414	+308
Yugoslavia	173	109	37	4	— 33
USSR	66	197	576	199	—377
Japan	1,528	3,009	3,405	3,810	+405
Turkey	177	100	223	469	+246
Others	573	886	888	1,268	+380
Total	5,568	7,119	7,971	11,502	+3,531
Calf skins:					
Canada	613	263	100	156	+ 56
France	53	32	30	47	+ 17
Germany, West	272	174	30	81	+ 51
Italy	204	303	441	423	— 18
Netherlands	168	77	120	207	+ 87
Switzerland	53	62	10	14	+ 4
United Kingdom	62	81	46	131	+ 85
Japan	354	622	692	783	+ 91
Others	87	98	135	269	+134
Total	1,866	1,712	1,604	2,111	+507
Kip skins:					
Canada	7	36	21	37	+ 16
Mexico	26	6	23	33	+ 10
Belgium	22	0	0	2	+ 2
Germany, West	258	156	67	31	— 36
Netherlands	115	6	1	24	+ 23
United Kingdom	32	2	0	1	+ 1
Hungary	16	11	25	4	— 21
Japan	277	86	43	74	+ 31
Others	80	40	73	74	+ 1
Total	833	343	253	280	+ 27
Sheep and lamb:[2]					
Canada	640	673	642	824	+182
Mexico	108	63	104	116	+ 12
France	48	56	127	129	+ 2
Netherlands	28	92	210	242	+ 32
Germany, West	27	32	60	76	+ 16
Sweden	77	77	114	77	— 37
United Kingdom	459	669	1,132	1,059	— 73
Others	180	517	492	542	+ 50
Total	1,567	2,179	2,881	3,065	+184

[1] Preliminary. [2] Includes goat and kid skins.
Bureau of the Census.

Common Market Pork Import Levies

Variable import levies for live hogs, pork carcasses, and cuts were readjusted in all of the EEC countries for the period January 1-March 31, 1965, to levels higher than in late 1964. Current levies on hog carcasses imported from third countries now range from 5.6 cents per pound in the Netherlands and Belgium to 12.8 cents in France.

Last winter and spring the levies were reduced substantially, thus opening the way for imports of pork from the United States. However, there has not been a similar reduction this year owing to expanded European pork production and lower prices.

In the case of pork carcasses and cuts, there are no changes except for the variable levies, which are determined by a formula taking into account hog and feed prices in the EEC compared with other countries. The levies increase as EEC hog prices fall and decrease as hog prices rise. Pork variety meats exported to the EEC from the United States are dutiable at 20 percent ad valorem and are not subject to variable levies.

EEC LEVIES ON FRESH AND FROZEN PORK CARCASSES AND WHOLESALE CUTS IMPORTED FROM THIRD COUNTRIES, JANUARY-MARCH 1965

Item	Belgium	France	Germany	Italy	Luxembourg	Netherlands
	Cents per lb.	*Cents per lb.*	*Cents per lb.*	*Cents per lb.*	*Cents per lb.*	*Cents per lb.*
Carcasses	5.6	12.8	8.7	10.3	12.7	5.6
Hams	8.4	16.4	14.4	18.1	19.4	8.9
Shoulders	6.5	13.8	9.6	14.8	16.1	6.9
Loins	9.3	21.1	13.4	17.3	19.5	9.2
Bellies	4.7	12.4	7.8	6.6	11.6	6.4
Other cuts	9.3	21.0	14.4	18.1	19.8	9.2

Canada's Meat Exports Rise

Exports of meat from Canada in 1964 totaled 101 million pounds, 12 percent more than a year earlier, according to inspection data of the Canadian Department of Agriculture. All of this gain was due to increased shipments of beef, veal, and pork. Shipments of mutton and lamb, sausage and meat loaf, and miscellaneous canned meats were below those of 1963.

Canadian exports to the United States amounted to 78 million pounds, 28 percent more than in 1963. Gains were recorded in all major types.

The United States took 77 percent of Canadian exports in 1964 compared with 68 percent a year earlier.

CANADA'S SHIPMENTS OF MEAT

Item	United States 1963	United States 1964	All countries 1963	All countries 1964	Percent to U.S. 1963	Percent to U.S. 1964
	Mil. lb.	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Percent*	*Percent*
Beef & veal	16.2	26.8	18.9	33.5	85.7	80.0
Mutton & lamb	.7	.7	1.0	.7	70.0	100.0
Pork, incl. canned hams	43.0	49.0	53.5	61.1	80.4	80.2
Sausages & meat loaves	.6	.9	2.8	2.3	21.4	39.1
Other canned meats	.5	.6	14.0	3.2	3.6	18.7
Total meat	61.0	78.0	90.2	100.8	67.6	77.4

Canadian Department of Agriculture.

U.S. Lard Exports Up Sharply in 1964

U.S. lard exports rose to 682 million pounds in 1964, an increase of more than 25 percent from the previous year. Largest single reason for the rise was the increased British demand for lard to be used in the manufacture of margarine and compound fats replacing both vegetable oils and marine oils. There were increased shipments to Bolivia, and in the last half of the year, Brazil took 19 million pounds under Title I, Public Law 480.

U.S. EXPORTS OF LARD[1]

Country	Average 1956-60	1961	1962	1963	1964[2]
	Mil. lb.	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*	*Mil. lb.*
United Kingdom	216	278	350	436	550
Germany, West	31	19	14	19	18
Bolivia	4	4	1	7	16
Yugoslavia	35	---	(3)	14	16
Canada	15	22	21	15	15
Czechoslovakia	---	---	1	8	8
Mexico	12	12	11	11	7
Haiti	7	8	7	6	7
Panama	5	3	4	3	3
Japan	(3)	1	(3)	1	2
Chile	1	2	1	2	1
China, Taiwan	---	---	---	2	1
Cuba	183	43	---	---	---
Others	36	25	12	14	[4]38
Total	545	417	422	538	682

[1] Including rendered pork fat. [2] Preliminary. [3] Less than 500,000 pounds. [4] Includes 19 million pounds to Brazil.
Compiled from reports of the Department of Commerce.

Australian Meat Shipments to the United States

Twelve ships left Australia during January and February with 20,180,160 pounds of beef, 1,850,240 pounds of mutton, and 163,520 pounds of lamb for the United States.

Ship and sailing date	Destination[1]	Arrival date	Cargo	Quantity
	Eastern and Gulf ports			*Pounds*
City of Winchester Jan. 21	Charleston	Feb. 19	Beef	170,240
			Mutton	143,360
	Norfolk	21	Beef	156,800
			Mutton	179,200
	Boston	23	Beef	739,200
	New York	25	Beef	1,012,480
			Mutton	33,600
			Lamb	67,200
	Philadelphia	28	Beef	226,240
			Mutton	145,600
Trojaland Jan. 21	Norfolk[2]		Beef	33,600
	Charleston	Feb. 19	Beef	22,400
	Philadelphia	22	Beef	123,200
	New York	23	Beef	891,520
	Boston	25	Beef	434,560
			Mutton	67,200
Pioneer Glen Jan. 26	Charleston	27	Beef	190,400
			Mutton	33,600
	Boston	Mar. 3	Beef	114,240
	New York	5	Beef	129,920
	Baltimore	9	Beef	82,880
			Mutton	67,200
Baltic Sea Jan. 28	Norfolk[2]		Beef	33,600
	Houston	Feb. 20	Beef	47,040
	New Orleans	22	Beef	219,520
	Tampa	24	Beef	459,200
	Charleston	Mar. 1	Beef	56,000
			Mutton	67,200
	Philadelphia	3	Beef	683,200
			Mutton	190,400
			Lamb	73,920
	New York	5	Beef	1,749,440
			Mutton	82,880
	Boston	9	Beef	705,600
Cap Ortegal Feb. 2	Houston	Mar. 2	Beef	327,040
			Mutton	123,200
	Tampa	Mar. 3	Beef	152,320
	Charleston	11	Beef	367,360
	Norfolk	14	Beef	185,920
	Philadelphia	16	Beef	667,520
	New York	18	Beef	1,296,960
	Boston	22	Beef	698,880
			Mutton	67,200
Port St. Lawrence Feb. 12	Charleston	10	Beef	358,400
			Mutton	100,800
	Norfolk	12	Beef	600,320
			Mutton	35,840
	Boston	15	Beef	519,680
	New York	17	Beef	1,559,040
			Mutton	33,600
			Lamb	22,400
	Philadelphia	20	Beef	297,920
			Mutton	33,600
	Western ports			
Ellen Bakke Jan. 26	Tacoma	Mar. 17	Beef	100,800
	Portland	21	Beef	58,240
	Los Angeles	27	Beef	44,800
	San Francisco	31	Beef	51,520
Sonoma Jan. 28	Los Angeles	Feb. 14	Beef	394,240
			Mutton	112,000
	San Francisco	18	Beef	389,760
			Mutton	138,880
	Seattle	22	Beef	147,840
	Portland	Mar. 1	Beef	11,200
Mariposa Feb. 8	San Francisco	Feb. 25	Beef	145,600
	Los Angeles	Mar. 1	Beef	100,800
Cap Delgade Feb. 9	Tacoma	2	Beef	168,000
	Los Angeles	5	Beef	412,160
	San Francisco	8	Beef	138,880
			Mutton	145,600
Cap Vilano Feb. 11	Los Angeles	2	Beef	866,880
	San Francisco	5	Beef	456,960
			Mutton	26,880
	Tacoma	9	Beef	392,000
			Mutton	22,400
Sierra Feb. 11	Portland	Feb. 22	Beef	134,400
	Los Angeles	28	Beef	241,920
	San Francisco	Mar. 6	Beef	506,240
	Seattle	13	Beef	105,280

[1] Cities listed indicate location of purchaser and usually port of arrival and distribution area, but meat may be diverted to other areas for sale. [2] To be transshipped. Australian Meat Board.

U.K.'s Butter Imports Up in 1964

British production of creamery butter in 1964, at 52 million pounds, was just a little more than half the 1963 output, with the result that the country's imports of butter rose 12 percent to 1,040 million pounds.

New Zealand, again the principal supplier, shipped 395 million pounds—45 million more than in 1963. Arrivals from Australia were up 5 percent to 168 million pounds. About 54 million pounds came from EEC countries and nearly 47 million from Eastern Europe.

Countries in the Western Hemisphere supplying larger quantities were Canada, 41 million pounds compared with 6 million last year, and the United States, 11 million compared with 1 million. Denmark, Sweden, Belgium, and Argentina were among the countries which shipped less than in 1963.

Preliminary estimates indicate an 8-percent increase in cheese imports during 1964. Imports totaled 334 million pounds and represent the heaviest reported since 1953. Arrivals from New Zealand were 178 million pounds, up 12 million from 1963. Canada, supplying 31 million pounds, and Ireland, 21 million, each shipped 7 million more pounds than in 1963. Several countries reduced cheese shipments in 1964, among them Australia and Denmark. EEC countries supplied 33 million pounds in both years.

West German Imports of Fats and Oils Rise

Imports of oil-bearing materials into West Germany in 1964 rose by 22 percent to over 365,000 metric tons. Comparably, imports of selected fats and oils in 1964 were 6,625 tons above those in 1963, approaching the high volume imported in 1960.

The rise in imports of oil-bearing materials principally reflected the sharp increase in takings of soybeans from the United States, which accounted for nearly 90 percent of the aggregate rise and 70 percent of the total. The rise was supplemented by increased imports of copra, peanuts, and flaxseed. These gains were slightly offset by reduced imports of cottonseed, rapeseed, and sunflowerseed.

There was only a slight rise from the 1963 level in West Germany's indicated total imports of fats and oils; however, there were significant changes within the total. Aggregate imports of vegetable oils increased, while imports of marine oils declined.

WEST GERMAN IMPORTS OF SELECTED FATS, OILS, AND OIL-BEARING MATERIALS

Item	1961	1962	1963[1]	1964[1]
	Metric tons	*Metric tons*	*Metric tons*	*Metric tons*
Cottonseed	956	23,296	26,706	563
Peanuts[2]	80,909	108,543	27,000	45,998
Soybeans	906,838	1,067,614	1,086,186	1,404,613
Sunflowerseed	22,941	20,634	30,988	29,181
Rapeseed	24,891	31,197	45,337	32,189
Copra	269,230	232,646	241,099	278,945
Palm kernels	127,782	124,091	129,425	131,125
Flaxseed	10,112	11,576	20,732	41,544
Castorbeans	22,480	26,678	24,432	32,916
Total	1,466,139	1,646,275	1,631,905	1,997,074
Cottonseed oil	73,625	44,582	63,486	73,687
Peanut oil	18,619	28,513	47,326	42,111
Soybean oil	11,632	1,593	18,584	12,550
Sunflowerseed oil	41,022	44,377	51,394	56,974
Coconut oil	36,687	33,410	41,929	47,563
Palm kernel oil	11,166	16,326	16,608	13,334
Palm oil	77,739	78,988	92,587	110,969
Linseed oil	81,664	80,405	72,502	68,173
Whale and sperm oil	66,905	59,044	64,622	50,874
Fish oil[3]	63,379	64,816	66,673	66,101
Total	482,438	452,054	535,711	542,336

[1] Preliminary. [2] Shelled basis. [3] Excludes liver oil.
Compiled from official and other sources.

The decline in imports of soybean and peanut oils was more than compensated for by the increased imports of their respective seeds. West Germany's 1964 soybean imports, about 97 percent of which were from the United States, amounted to the equivalent of 51.6 million bushels or about one-fourth of the total U.S. exports of soybeans in that period. Official U.S. Bureau of Census data, however, set this country's 1964 exports of soybeans to West Germany at only 29.2 million bushels. The difference is accounted for by transshipments of exports indicated primarily to Canada and the Netherlands.

Togo's Exports of Palm Kernels

Exports of palm kernels from Togo during the first 10 months of 1964 totaled 12,610 metric tons compared with 12,748 in 1963.

NOTE: February 22 issue of *Foreign Agriculture,* page 15, third line should read: 51,815 short tons of peanut meal (50,352 in 1963) and 132 short tons of peanut oil (39,702 in 1963).

Argentine Olive Oil Exports Up Slightly

Argentina, a relatively minor olive oil producer (8,000 to 12,000 tons annually), exported 8,677 short tons of edible olive oil in 1964 compared with 8,415 in 1963. Brazil and Italy have been major markets for Argentine olive oil.

South Africa's Oilseed Production Increases

In 1964-65, South Africa's peanut crop, to be harvested in March-May 1964-65, is preliminarily forecast at 185,000 short tons or 12 percent above that in 1963-64. The increase—coming despite a significant decline in acreage—is expected to result because of a marked improvement from last year's low yields.

The Republic's 1964-65 sunflowerseed harvest in April-July is forecast at 101,000 short tons, one-sixth above last year's. The expected gain will result if normal yields are realized; acreage is 15 percent below that of a year ago.

Exports of peanuts and peanut oil on an oil-equivalent basis increased sharply in the marketing year beginning July 1, 1963. This reflected increased movements of peanuts for crushing at a volume nearly triple those of 1962-63. The additional quantities went largely to the United Kingdom, Portugal, West Germany, and Switzerland.

Exports of both sunflowerseed and oil declined to the smallest volume in recent years.

Prices for both sunflowerseed and peanuts were increased slightly by the Oilseed Control Board, probably because of the small crops of a year earlier and the desire to maintain the producers' interest in oilseed production.

SOUTH AFRICA'S PEANUT AND SUNFLOWERSEED AREA, YIELDS, PRODUCTION, AND EXPORTS

Crop year beginning May 1	Planted acreage	Yields[1]	Production[2]	Exports[3]
Peanuts, shelled basis:	*1,000 acres*	*Pounds per acre*	*1,000 short tons*	*1,000 short tons*
1960-61	755.6	511	193.1	96.4
1961-62	721.6	378	136.3	128.0
1962-63	973.4	403	196.0	68.4
1963-64	[4]1,077.0	288	[4]155.0	[4]122.6
1964-65	[4]776.7	476	[5]185.0	---
Sunflowerseed:				
1960-61	472.0	524	123.7	6.9
1961-62	429.5	505	108.4	13.9
1962-63	416.9	523	109.0	5.9
1963-64	[4]463.4	371	[4]86.0	[4]3.6
1964-65	[4]395.8	510	[5]101.0	---

[1] Calculated from the data presented here. [2] Includes estimates of annual "farm retentions"—5,000 tons for peanuts and 1,100 for sunflowerseed. [3] Includes seed equivalent of oil exports for marketing years July 1-June 31, which correspond to seed produced in the previous crop year. [4] Preliminary. [5] Forecast.
Republic of South Africa, Oilseed Control Board and Department of Agricultural Economic Research.

Tunisian Olive Oil Exports

Tunisia exported 15,947 metric tons of edible olive oil through January 24, 1965, of the current marketing year (November-October), with major quantities going to France and Czechoslovakia. Exports in the same periods of 1963-64 and 1962-63 were only 9,379 and 8,476 tons, respectively.

European prices for Tunisian olive oil (1-percent acidity) continue to rise, being quoted as £270-275 per metric ton (US$756 to US$770) in drums, c.i.f., on February 27, 1965, or significantly above those of the same date a year ago.

New Hebrides Exports of Copra

Exports of copra from New Hebrides during 1964 totaled 36,091 long tons—a new record and an increase of 3 percent from the 1963 level. France is the principal market.

NEW HEBRIDES COPRA EXPORTS

Country of destination	1961	1962	1963	1964[1]
	Long tons	*Long tons*	*Long tons*	*Long tons*
France	25,508	19,170	30,330	25,571
Japan	---	1,050	1,325	3,106
South America	6,343	10,732	3,399	7,468
Total	31,851	30,952	35,054	36,091

[1] Preliminary.

Copra is the leading export of New Hebrides, accounting for 68 percent of the value of total exports in 1964. Copra exports from that country constitute about 2.5 percent of total world exports of copra.

Argentina Expects Large Peanut and Sunflower Crops

Argentina's 1964-65 peanut and sunflowerseed crops should provide a sizable surplus of edible oils, barring unfavorable weather at harvest such as occurred last year.

Peanut production has been estimated unofficially at 420,000 to 450,000 metric tons, inshell basis, and sunflowerseed at about 700,000 tons.

The first official estimates placed area seeded to peanuts at a record 895,000 acres and to sunflowerseed at 2,634,100 acres (*Foreign Agriculture,* Feb. 22, 1965).

In 1963-64 Argentina produced 333,000 metric tons of peanuts from 893,761 planted acres and 475,000 tons of sunflowerseed from 2,137,415 acres. The record high outturn of peanuts was 433,000 metric tons in 1961-62, and of sunflowerseed, 1,088,000 tons in 1948-49.

Philippine Exports of Copra Cake and Meal

Exports of copra cake and meal from the Philippine Republic in 1964 totaled 163,774 long tons compared with 157,281 in 1963—an increase of 4 percent.

Of the total, 90 percent (147,681 tons) was destined for European destinations as against 95 percent (149,714 tons) in 1963. Exports to the United States rose to 15,554 tons from 7,299, and those to Hong Kong, to 539 from 268.

Brazil's Cotton Crop at Near Record Level

The 1964-65 cotton crop in Brazil is now estimated at 2,300,000 bales (480 lb. net), the same as in 1963-64 and 1962-63 but 15 percent below the alltime record production of 2,700,000 bales in 1943-44.

The North Brazil crop, harvested last fall, amounted to about 0.8 million bales, 20 percent below the 1963-64 harvest of 1.0 million. The southern crop, soon to be harvested, is tentatively estimated at 1.5 million bales. However, rains have delayed the beginning of harvest operations in the state of São Paulo, and if prolonged, they could result in lower production estimates.

Exports of cotton from Brazil totaled 1,023,000 bales in 1963-64 (August-July), 11 percent below 1962-63 exports of 1,145,000. Quantities shipped to major destinations in the 1963-64 marketing year in 1,000 bales (comparable 1962-63 figures in parentheses) were West Germany 250 (202); USSR 138 (110); the Netherlands 116 (150); Japan 114 (188); the United Kingdom 82 (108); France 69 (75); Hong Kong 54 (116); and Belgium and Luxembourg 45 (48).

In August-December 1964-65, Brazil exported 379,000 bales, 22 percent below the 484,000 exported in the same 1963-64 period. Quantities shipped to principal destinations in the first 5 months of the current season in 1,000 bales (comparable 1963-64 figures in parentheses), were West Germany 96 (90); Japan 50 (59); the Netherlands 45 (37); the United Kingdom 32 (36); Hong Kong 30 (25); Belgium and Luxembourg 28 (20); and France 26 (21). Exports for the full 1964-65 season are estimated at 1.0 million bales.

Consumption in 1964-65 is expected to be about 1,350,000 bales, up 4 percent from a year ago and equal to the alltime record consumption in 1961-62.

Communist China May Take Less Foreign Cotton

World cotton exports to Mainland China are expected to show a sizable decline in 1964-65 because of a reported substantial increase in China's 1964 crop. In the 1963-64 season, raw cotton exports to Communist China totaled 800,000 bales.

Communist China is reported to have recently purchased about 80,000 bales (480 lb. net) of cotton from Pakistan. This is the first Pakistani cotton purchased by Communist China this season; in the 1963-64 season, Pakistan exported about 250,000 bales to Mainland China.

According to foreign press reports, about 60,000 bales of Mexican cotton have been scheduled for export to China in the current season. In 1963-64, Mexico reported exports of 15,000 bales to Mainland China.

Other foreign cottons have been attracting Chinese buying interest in recent weeks. During August-December 1964, Uganda exported 33,000 bales to Communist China, compared with 46,000 in the same period a year ago. Sudan shipped 6,000 bales to China in the first 2 months of the current season, compared with 20,000 in the same period of 1963-64; and Syria exported 115,000 to the Chinese in August-January, compared with 130,000 in the same period of 1963-64.

Peru's Rice Imports at Alltime High

Peru's imports of rice for fiscal 1965 have been set at 52,000 metric tons, an alltime record. In 1963-64 they were 45,239 tons, and in 1962-63 they averaged 1,030.

More than 25,000 tons have been imported or purchased so far this year. It is expected that an additional 25,000 tons will be required to meet consumption requirements before the domestic crop is fully on the market in June for the 1965-66 marketing year.

The United States has been the main supplier since 1958.

Chile's Cigarette Output Rises Slightly

Cigarette output in Chile during the first 8 months of 1964 totaled 4,101 million pieces—up 2 percent from the 4,022 million produced in January-August 1963. Output for 1964 probably neared 6,440 million pieces, compared with 6,315 million in 1963.

U.S. Burley Exports at Record Level

U.S. exports of burley tobacco hit a record 53 million pounds (export weight) in 1964—19 percent larger than the 44.5 million shipped out in 1963. The value of 1964 exports, at $42.2 million, was also a record.

Major markets for burley tobacco last year included West Germany, Sweden, Mexico, Egypt, Italy, and Portugal. West Germany, with purchases of 10.9 million pounds, was the most important outlet; and Sweden, with 7.3 million, ranked second.

Common Market countries purchased a total of 18.9 million pounds in 1964, against 17.7 million in 1963.

U.S. EXPORTS OF BURLEY TOBACCO
(Export weight)

Destination	1963	1964[1]	Change from 1963
	1,000 pounds	*1,000 pounds*	*Percent*
Germany, West	8,071	10,893	+ 35.0
Sweden	1,269	7,255	+471.7
Mexico	3,588	4,492	+ 25.2
Egypt	3,309	4,408	+ 33.2
Italy	5,891	3,988	— 32.3
Portugal	4,441	3,127	— 29.6
Netherlands	3,113	1,760	— 43.5
Thailand	656	1,753	+167.2
Belgium-Luxembourg	966	1,614	+ 67.1
Finland	1,762	1,435	— 18.6
Denmark	1,354	1,345	— 0.7
Hong Kong	1,580	1,163	— 26.4
Switzerland	740	1,054	+ 42.4
Congo, Rep. of	592	937	+ 58.3
Austria	1,061	918	— 13.5
Poland	1,020	906	— 11.2
Tunisia	469	873	+ 86.1
Norway	685	844	+ 23.2
France	613	668	+ 9.0
Australia	712	428	— 39.9
Others	2,605	3,150	+ 20.9
Total	44,497	53,011	+ 19.1

[1] Preliminary.
Bureau of the Census.

Thailand Expects Larger 1965 Tobacco Harvest

Preliminary estimates place the 1965 tobacco harvest in Thailand at 77.4 million pounds from 142,900 acres, compared with 67.7 million from 126,200 acres last year.

Larger harvests of all kinds are forecast this season. The 1965 flue-cured harvest is estimated at 29.6 million pounds from 53,100 acres, compared with the 1964 harvest of 22.6 million from 41,000 acres. The burley crop is forecast at 952,000 pounds, or one-fourth larger than the 761,000 harvested last season. Production of oriental tobaccos is forecast to rise to 440,000 pounds from 204,000, and native dark sun-cured types, to 46.3 million from 44.1 million.

Harvest from a 8-acre experimental plot of cigar filler tobaccos is expected to yield about 11,000 pounds.

U.K. Cigarette Sales Down

Cigarette sales in the United Kingdom last year totaled 114.4 billion pieces—down almost 1 percent from the 1963 high of 115.2 billion.

Filter-tipped cigarettes last year accounted for 41.8 percent of total sales, compared with 32.8 percent in 1963. The rising trend in sales of filter tips continues to reduce the finished weight of 1,000 pieces of cigarettes from 2.06 pounds in 1963 to 2.02 in 1964. In terms of weight, cigarette sales last year amounted to 230.8 million pounds —down 2.9 percent from the 237.8 million for 1963.

Sales of smoking mixtures for "roll-your-own" cigarettes last year rose to 16.9 million pounds from 16.7 million in 1963. Cigar sales rose to 590 million pieces from 445 million. Sales of snuff equaled the 800,000 pounds sold in 1963, while those of pipe tobacco dropped to 15.6 million pounds from 16.1 million.

Combined sales of all tobacco products in 1964 totaled 266.8 million pounds, compared with 273.5 million in 1963, 266.6 million in 1962, 277.9 million in 1961, and 274.8 million in 1960.

France Sets Import Quotas for Canned Vegetables

The French Ministry of Finance has announced that it would consider application for import permits for canned peas, green beans, carrots, and mixed vegetables from the United States and Canada. Applications must be submitted before 11:30 a.m., March 17 at which time they shall all be examined and import licenses awarded.

Canned Fruit and Juice Prices in the Netherlands

Selling prices in the Netherlands (landed, duty-paid) of selected canned fruits and juices follow.

Type and quality	Size of can	Price per doz. units Jan. 1964	Oct. 1964	Jan. 1965	Origin
		U.S. dol.	*U.S. dol.*	*U.S. dol.*	
CANNED FRUIT					
Apricots, halves, Choice	2½	3.81	3.81	3.81	S. Africa
Do	15 oz.	([1])	2.15	2.15	Spain
Peaches, halves:					
Choice	2½	4.51	4.14	4.01	U.S.
Standard	2½	4.04	3.91	3.81	U.S.
Fruit cocktail, Choice	2½	5.40	5.20	4.67	U.S.
Do	303	3.38	3.28	2.82	U.S.
Pineapple, slices:					
Choice	2½	([1])	4.48	4.71	U.S.
Standard	2½	([1])	4.21	4.44	U.S.
CANNED JUICES					
Orange, unsweetened	2	2.65	2.65	2.65	U.S.
Do	2	2.42	2.12	1.99	Greece
Do	2	2.42	2.22	1.99	Israel
Pineapple, Fancy	2	2.06	2.15	2.15	U.S.

[1] Not quoted.

Austrian Honey Crop May Be Down

Austria's honey production in 1965 is expected to amount to about 4,000 metric tons. Even though this is about average, it would still be 33 percent below the record 6,000 tons produced in 1964. Approximately 38,000 persons are engaged in beekeeping with 419,560 beehives in operation.

Domestic consumption of honey is increasing steadily and in 1964 was unofficially estimated at about 8,000 metric tons. Honey imports last year were primarily from Czechoslovakia, Hungary, Chile, and Rumania. Those from the United States amounted to 32.7 metric tons—about the same as in 1963 when the U.S. entered the Austrian market for the first time in years.

Morocco and Cuba Reach Sugar Trade Agreement

Morocco and Cuba have concluded a sugar trade agreement providing for the purchase of 565,000 metric tons of sugar by Morocco at 3.15 cents per pound. Of this

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amount 270,000 tons are to be delivered in 1966 and the remainder in 1967. Terms of payment on 1966 deliveries are 35 percent in convertible currencies.

This purchase is about the level of Moroccan sugar imports from Cuba for the past several years. Morocco imports about 350,000 metric tons of sugar annually.

French Honey Imports Down

France imported 3,913 metric tons (8,626,600 lb.) of honey in 1964, compared with 5,425 (11,959,955 lb.) in 1963. Commercial production of honey in 1964 was high, with the official estimate being placed at 15,000 metric tons (33 mil. lb.) Total production would be considerably increased by including the output of small beekeepers who produce honey for local use. Some imported honeys have recently sold for 11.4 cents per pound, c.&f. Le Havre.

Imports of honey from Spain declined from 2,188 metric tons in 1963 to 1,070 in 1964, and those from the United States were off from 1,652 metric tons to 665. Conversely, imports from Argentina and Mexico showed substantial increases—Argentina from 524 metric tons to 1,046, and Mexico from 369 metric tons to 517.

The EEC's Negotiating Plan

(Continued from page 3)

ports. Under the Community's plan, these controls would not be required. We are asked only to agree to freeze our per-unit return to our producers, and we could then abandon our controls.

If we applied the Community's plan, therefore, the sugar trade with the United States would be severely hurt and probably eliminated. The developing countries would not be benefited, but sorely injured. And, since the EEC is self-sufficient in the production of sugar, these exporters could find no offsetting market in the Community. There are no controls on production in the Community. Its price bindings and its variable levy will insure that its domestic market is reserved for domestic producers.

An end to competition

Finally, the EEC would apply its plan to all products and all countries. If all countries were to be free to levy import duties equal to the difference between their producer prices and import prices, we would remove from international trade all competition—both on price and quality—for prices would be adjusted to eliminate quality differences.

The thought of doing away with competition for all agricultural commodities is a staggering one. We would have to find another basis for world trade. In order to establish some basis for selling, we would have to negotiate export quotas or cartelize trade in all commodities and among all countries. Imagine the time we would need to negotiate these and the bureaucracy to adminster them!

The Community has made a major point of saying that its plan would include in the negotiations all elements of agricultural support. The examples I have just given show this isn't true. Some crucial elements are ignored. I don't want to sound negative on this matter of negotiating *all* elements of support or protection. We have always been willing to negotiate on any element affecting international trade as long as its negotiation would serve to meet the test of expanding trade. I just cannot see that the EEC plan does this.

U.S. seeks to liberalize trade

The negotiating plan which the United States put forward months ago—and which it still stands by—seems much more relevant to me. That is, to find these barriers to trade and to reduce them.

Where trade is now free of duty, we would keep it that way. Where the barriers are fixed tariffs, we would reduce them. Where the barriers are variable levies or other forms of import control, we would negotiate limitations on their restrictive effects or access commitments—such as we have done on beef.

We are not dogmatic. Our approach is flexible. The only point on which we insist is that the action must liberalize trade. This is the purpose of a trade negotiation. Without liberalization of trade, this negotiation would have no purpose.